the economic welfare of U.S. farmers and marketing agencies who produce and distribute for the export market. It includes the simple humanitarian interest in making bread, rice, and better nutrition more possible than before. These and more are elements of the broad U.S. interest in agricultural trade.

These interests continue to present the United States with major challenges and opportunities for policy leadership. Our efforts should seek to increase the competitive structure of world markets and at the same time to encourage cooperation among nations in dealing with food aid and the trading problems of less developed countries. Exploration of appropriate policies and possibilities for coordinated international action needs to continue on such important issues as: (1) methods of reducing the conflict between domestic agricultural policy and international trade policy, (2) provision and financing of all aid including food aid, (3) preferential trading relations and reduction of barriers on imports from developing countries, (4) financial arrangements and marketing aids to permit expanded trade and improved export possibilities for developing countries, and (5) the purpose and role of international commodity arrangements in future improvement of international agricultural markets. Because of timing, it is especially important that we, with other developed nations, prepare a realistic, coordinated policy position before the 1968 UNCTAD Conference in India.

Thank you.

Chairman BOGGS. Thank you very much, Mr. Pincus.

We will begin the questioning with Congressman Reuss.

Representative REUSS. Thank you, Mr. Chairman.

Mr. Cooper, you point out the link between trade policy and monetary reform, in that the existance of the new international monetary medium makes it possible to finance balance-of-payments deficits longer than would otherwise be the case, and hence yields less of a temptation to adopt restrictive trade devices. I think that is a point you are making on the second to the last page. In that connection, we note in this morning's paper that the meeting of the Ministers in London on international monetary reform has currently broken up without any substantial agreement having been reached. I gather that what must have happened was that the French maintained their insistence on some kinds of a drawing right with a fairly harsh repayment provision, so that it really didn't even come close to constituting an international asset. And our negotiators, I gather, must have stuck—properly—to our position, that unless there was something approaching a new international monetary medium which the central bank would be willing to hold, any agreement would be illusory.

I now come to my question. In your judgment, is the United States well advised to stick to its guns, or would it be in our interest to sign any kind of agreement just for the sake of having an agreement at an international monetary meeting?

Mr. COOPER. I was very disheartened by what I read in the paper this morning about the lack of agreement among the finance Ministers on international monetary reform. From what I know of the European, which I guess is the French, position on the monetary reform, I would not recommend accepting it just for the sake of agreement. Countries are going to be faced with balance-of-pay-